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France

Processed Sweet Corn

Annual

2000

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Report Highlights:

The United States is France's leading supplier of canned sweet corn, with 32 percent of the market. U.S. exports rose 16 percent to 2,874 MT in MY 1999/2000 from MY 1998/99. A net exporter of sweet corn, France produced 85 percent of the EU's canned sweet corn and 68 percent of the EU's frozen sweet corn in 1999. The decline in domestic demand recorded in 1998 and 1999 resulted from consumers' concerns about any genetically-altered content in sweet corn products. French domestic demand for American sweet corn is likely to grow when it is certified non-GMO. Also, organic sweet corn is not grown in France, to date, and there is a niche market for this product in France.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Paris [FR1], FR

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Executive Summary

France produced 85 percent of the EU's canned sweet corn production and 68 percent of the EU's frozen sweet corn production in 1999. French canned production amounted to 243,700 MT and frozen production amounted to 29,800 MT. While French production had been growing fast in the past years, triggered by growing consumption, it decreased in 1999 from its record level of 1998, due to the decline in demand recorded in 1998 and 1999. This resulted from consumers' concerns about genetically-altered contents in sweet corn products. France is a net exporter of sweet corn; the United States is its leading supplier of canned sweet corn, with 32 percent of the market. French domestic demand for American sweet corn is likely to grow when it is certified non-GMO. Also, organic sweet corn is not grown in France, to date, and there is a niche market for these products in France.

Section I: Situation and Outlook

France is the leading European producer of sweet corn, with 85 percent of EU canned sweet corn production and 68 percent of EU frozen sweet corn production in 1999. However, French sweet corn production decreased in 1999 to 234,700 MT, gross weight, canned products, and 29,800 MT frozen sweet corn. This was due to the significant decline in domestic consumption in 1998, which stabilized in 1999, because French consumers fear that sweet corn products contain genetically-altered corn. As a result, French sweet corn growers launched an educational campaign informing the public of the absence of genetically engineered corn in their production, and 2000 consumption should be up.

France is a net exporter of sweet corn, but imports products mainly from United States, Hungary and Thailand. In MY 1999/2000, the United States was France's leading supplier, with 32 percent of the market. Although France does not import frozen sweet corn from the United States, French and American frozen sweet corn compete on European markets.

Market opportunities for American sweet corn in France are expected to be for sweet corn products certified to be exempted from genetically engineered products, since consumers are very receptive to this criteria. Also, there is a growing consumer demand for organic products, and domestic production of organic sweet corn is non-existent. Consequently, there is a niche market in France for organic sweet corn.

Section: Statistical Tables

PS&D Tables

| | | | | | | |
|----------------------|-------------------|---------|-------------|---------|---------------------|---------|
| PSD Table | | | | | | |
| Country | France | | | | | |
| Commodity | Canned Sweet Corn | | | | (MT)(Dec. Fraction) | |
| | Revised | 1998 | Preliminary | 1999 | Forecast | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 07/1998 | | 07/1999 | | 07/2000 |
| Production Gross WT | 249600 | 249500 | 249600 | 234700 | 0 | 235000 |
| Production Net WT | 150361 | 150301 | 150361 | 141385 | 0 | 141566 |
| Conv. Rate Net/Gross | 1.66 | 1.66 | 1.66 | 1.66 | 0 | 1.66 |

Sources: AGPM, AETMD

| | | | | | | |
|-------------------|--------|---------|-------|---------|-----|---------|
| PSD Table | Frozen | | | | | |
| Country: | | | | | | |
| Commodity: | | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 07/1998 | | 07/1999 | | 07/2000 |
| Production | 28700 | 28700 | 28000 | 29800 | 0 | 30000 |
| Imports | 5236 | 5152 | 5500 | 6282 | 0 | 6300 |
| Exports | 11984 | 12142 | 11500 | 13281 | 0 | 14000 |

Sources: AGPM, AETMD

Trade Matrices

Canned Sweet Corn:

| Export Trade Matrix | | | |
|---------------------|-------------------|-------------|-------|
| Country | France | | |
| Commodity | Canned Sweet Corn | | |
| Time period | July-June | Units: | MT |
| Exports for: | 1998 | | 1999 |
| U.S. | 0 | U.S. | 803 |
| Others | | Others | |
| Germany | 31541 | Germany | 30085 |
| UK | 19021 | UK | 18062 |
| Spain | 13186 | Spain | 14757 |
| Belgium | 6800 | Italy | 9502 |
| Italy | 5591 | Belgium | 6101 |
| Russia | 3118 | Switzerland | 2551 |
| Switzerland | 2862 | Sweden | 2035 |
| Denmark | 1673 | Denmark | 1490 |
| Netherlands | 977 | Russia | 1202 |
| Sweden | 954 | Argentina | 1124 |
| Total for Others | 85723 | | 86909 |
| Others not Listed | 6411 | | 8302 |
| Grand Total | 92134 | | 96014 |

| Import Trade Matrix | | | |
|---------------------|-------------------|----------|------|
| Country | France | | |
| Commodity | Canned Sweet Corn | | |
| Time period | July-June | Units: | MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 2469 | U.S. | 2874 |
| Others | | Others | |
| Hungary | 1605 | Hungary | 2322 |
| Thailand | 1418 | Thailand | 1708 |
| Italy | 401 | Italy | 989 |
| Spain | 206 | Spain | 403 |
| Canada | 151 | Belgium | 315 |
| Germany | 148 | Germany | 133 |
| UK | 59 | Canada | 124 |
| | | | |
| | | | |
| | | | |
| Total for Others | 3988 | | 5994 |
| Others not Listed | 173 | | 120 |
| Grand Total | 6630 | | 8988 |

Source: French Customs

Frozen Sweet Corn:

| | | | |
|---------------------|-------------------|---------|-------|
| Export Trade Matrix | | | |
| Country | France | | |
| Commodity | Frozen Sweet Corn | | |
| Time period | July-June | Units: | MT |
| Exports for: | 1998 | | 1999 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| UK | 6059 | UK | 6285 |
| Belgium | 3181 | Belgium | 4099 |
| Germany | 1484 | Germany | 1610 |
| Spain | 611 | Spain | 732 |
| Italy | 283 | Italy | 279 |
| Portugal | 175 | | |
| Netherlands | 100 | | |
| Poland | 91 | | |
| | | | |
| | | | |
| Total for Others | 11984 | | 13005 |
| Others not Listed | 158 | | 276 |
| Grand Total | 12142 | | 13281 |

| | | | |
|---------------------|-------------------|-------------|------|
| Import Trade Matrix | | | |
| Country | France | | |
| Commodity | Frozen Sweet Corn | | |
| Time period | July-June | Units: | MT |
| Imports for: | 1998 | | 1999 |
| U.S. | 521 | U.S. | 616 |
| Others | | Others | |
| Spain | 1776 | Spain | 2057 |
| Belgium | 1173 | Belgium | 1192 |
| Italy | 993 | Netherlands | 874 |
| Hungary | 291 | Germany | 571 |
| Netherlands | 159 | Italy | 496 |
| Israel | 100 | Hungary | 129 |
| Denmark | 67 | Israel | 99 |
| | | | |
| | | | |
| | | | |
| Total for Others | 4559 | | 5418 |
| Others not Listed | 72 | | 248 |
| Grand Total | 5152 | | 6282 |

Source: French Customs

Tariff Table

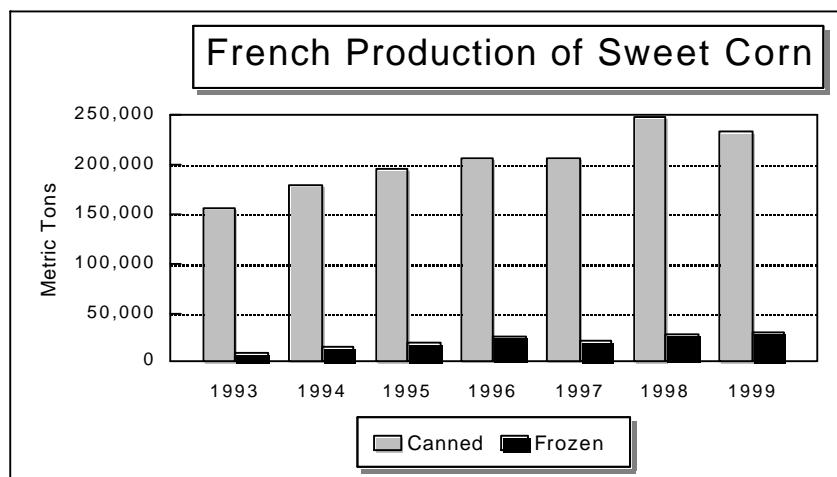
| Products | Customs Codes | Import Duties |
|-------------------|---------------|------------------------------|
| Frozen Sweet Corn | 07 10 40 00 | 5.1 % + 9.4 Euros per 100 Kg |
| Canned Sweet Corn | 20 05 80 00 | 5.1 % + 9.4 Euros per 100 Kg |
| | 20 01 90 30 | 5.1 % + 9.4 Euros per 100 Kg |

Section III: Supply, Demand, Policy and Marketing

Production

France is the leading European producer of sweet corn. In 1999, France produced 84.7 percent of EU canned sweet corn and 68 percent of EU frozen sweet corn.

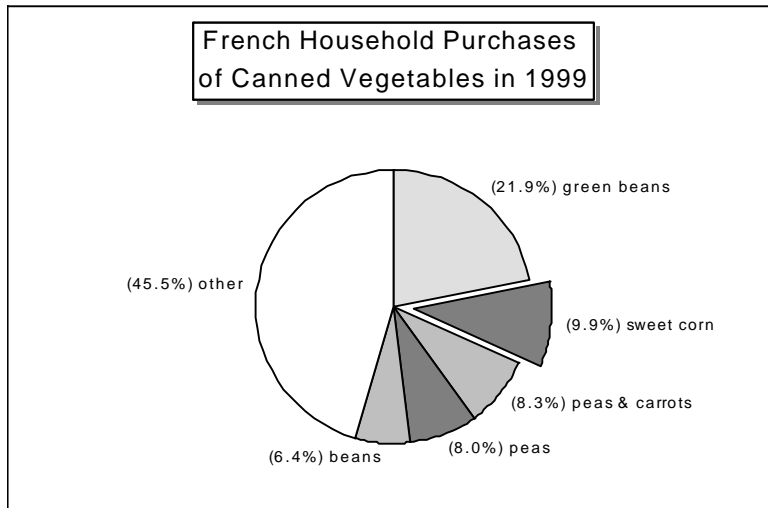
The area planted to sweet corn in France totaled 25,630 ha in 1999, down 2 percent from 26,200 ha in 1998. At the same time, average yields decreased by 4 percent to 18.2 MT/ha in 1999. Consequently, canned sweet corn production in 1999 declined by 6 percent to 234,700 MT, gross weight, while frozen sweet corn production increased by 4 percent to 29,800 MT.



Consumption

The decline in total French sweet corn production in 1999 resulted from the lower domestic demand for this product. French consumers reduced their purchases of sweet corn in 1998 from the previous years, because they feared that sweet corn was genetically altered. In 1999, French household purchases of canned sweet corn are estimated to have stabilized. According to a survey conducted in July and November 1999, 11 percent of French consumers reduced their purchases of sweet corn products over the past 12 months. As a result, French sweet corn producers and processors, as well as public authorities, organized an educational campaign informing consumers that no genetically modified variety of sweet corn is authorized for domestic production or imports into France and Europe.

In France, canned sweet corn belongs to the canned vegetable category. In 1999, French household consumption of canned vegetables amounted to 559,000 MT (a 1.4 percent increase from 1998) and USD 717 million (a 2.3 percent increase from 1998). Canned sweet corn in 1999 had the second largest market share (10 percent) after green beans (22 percent), as indicated in the graph below.



The European Association for Sweet Corn (AETMD) conducted a survey in 1999 on the profile of sweet corn consumers. It concluded that typical sweet corn consumers in France are under 25 years old or families with two children or more. Young consumers eat sweet corn because it is easy to handle and to prepare. They principally eat it cold. Large families purchase sweet corn mainly because it is easy to handle and because children are attracted by the sweet flavor and bright color of the kernels.

Trade

Canned sweet corn is the leading canned vegetable category exported by France, with 28.6 percent of the quantities exported and 35.5 percent of the export value of total French exports of canned vegetables in 1999.

French exports of canned sweet corn increased by 4 percent from MY 1998/99 to MY 1999/2000, mainly due to increased shipments to Italy and Sweden, and despite reduced shipments to Russia. Russian imports from France declined because of the economic crisis which started in 1998 in this country, and because Russia is replacing French canned sweet corn by Hungarian products.

France's leading suppliers of canned sweet corn remained the United States, Hungary and Thailand in MY 1999/2000, with 32, 26 and 19 percent of the market, respectively.

On the French market, U.S. sweet corn quantities are minor compared to domestic sweet corn, and most U.S. sweet corn are sold at gourmet shops. However, some supermarket chains sell American canned sweet corn. The leading French importer of U.S. canned sweet corn is the following:

TRIOMPHE/SNAT

14, rue Lucien Barbier - BP 142

95105 Argenteuil Cedex

Phone: (33-1) 39 82 98 68

Fax: (33-1) 39 82 22 93

Contact: Mr. Raphael Dahan

This company sells U.S. canned sweet corn under the brand name Monarch.

French frozen sweet corn compete on European markets with U.S. frozen sweet corn, since the United States increased their shipments to the EU to replace lost markets in Asia, where demand is lowered by the economic crisis. Shipments of frozen sweet corn between France and Spain are distinct from other countries, since part of the Spanish sweet corn production is made in France, processed as frozen sweet corn in Spain, and reexported to France.

Marketing

Organic Sweet Corn:

French consumers are increasingly attracted by organic products, but there is no organic sweet corn grown in France, and there is a market for imported organic sweet corn.

French sweet corn producers have conducted surveys in 1999 and 2000 on the technical and economic feasibility of organic sweet corn. The characteristics of organic sweet corn to be produced in France are vigorous and pest-resistant corn varieties, limited soil preparation, dense sowing, low quantities of non-chemical fertilizers, crop rotation with protein seeds or straw grains followed by a green fertilizer crop.

Sweet Corn and GMOs:

The French corn growers association (AGPM) has worked on informing French consumers of the absence of genetically-altered corn in the sweet corn grown in France. AGPM specifies that: there is no genetically modified sweet corn approved for production in France; the seeds used in France, which are imported from the United States, are analyzed to make sure that they do not contain genetically altered products; and field trials conducted over three years demonstrated that the risk of cross pollination between GM corns and sweet corns is almost zero.

French Sweet Corn Promotion:

French sweet corn growers launched a generic campaign for sweet corn in July 2000 including posters stating "sweet corn: the more we know it, the more we love it" used in supermarkets. In addition, sweet corn tastings were organized in the annual French agricultural show in 1999 and 2000, and sweet corn specialists were present to answer to the public's questions.